

1 THE HONORABLE ANN HUTCHINSON, MAYOR, BETTENDORF, IA

2  
3 Our first speaker is Mayor Hutchinson of Bettendorf,  
4 Iowa. Good morning and welcome.

5 MAYOR HUTCHINSON: I want to thank you for asking me  
6 here today to testify before the Commission.

7 The initiative for Iowa's legislation on riverboat  
8 gambling actually came out of the Quad Cities area of which  
9 Bettendorf is a part, in the late 1980's as a response to an  
10 economic downturn in the area at that point in time. The Quad  
11 Cities was noted as a farming and construction equipment  
12 manufacturing center and always considered itself recession-proof  
13 until it hit the recession of the mid-1980's. At that point in  
14 time we lost 25,000 jobs in the area.

15 Local leaders then were looking to an alternative to  
16 try to bring back some of the economic development in the area,  
17 and they looked toward tourism. And the Mississippi River, of  
18 course, is our greatest natural resource in that area for  
19 tourism, and gambling seemed to be a natural part because it is  
20 such a part of the history in the lower Mississippi River.

21 The initial legislation in the State of Iowa was very  
22 strong in trying to bring back economic development, as I said,  
23 and to create land based development in the area. So as a part  
24 of that, we were looking for development of hotels and that type  
25 of thing to create a property tax base in the area.

26 Bettendorf has the distinction of being the first  
27 city in the state to have a boat and the first city in the state  
28 to lose a boat. Our initial boat stayed in the area for one  
29 year. It did not bring much as far as revenue was concerned to

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1 the city. However, when the gaming law in Iowa was changed in  
2 1995 to make it much less restrictive than it had been, the  
3 original boat operator did come back to the city of Bettendorf in  
4 a joint venture with Lady Luck Casinos out of Las Vegas and the  
5 city structured a more lucrative deal with the Lady Luck Casino  
6 venture than we had previously.

7 Iowa's gaming law provides that revenue go to the  
8 state, the cities, to the counties and also to a not-for-profit.  
9 In Iowa, a not-for-profit agency holds the license and then  
10 contracts with the boat operator. That not-for-profit then  
11 redistributes its revenues back to the cities, to the school  
12 districts and to charitable entities throughout the county in the  
13 area that's being served by the boat.

14 In my testimony I had shown the amounts of money that  
15 had been redistributed back to the community. The city gets a  
16 per head gaming tax and we have collected about \$4 million in the  
17 last three years. The not-for-profit has collected almost \$8  
18 million in the last three years. It's been redistributed back,  
19 roughly equally in one-third, to the schools, one-third to the  
20 city and one-third to charitable entities.

21 The city of Bettendorf uses these revenues solely for  
22 infrastructure repair. Because of our previous experience, we  
23 had decided that we would not put this money into the general  
24 fund. This year Lady Luck has begun construction on a 260 room  
25 hotel which again is the efforts of our land based hopes for  
26 gaming. It will add substantial revenue to the city, about  
27 \$475,000 in property tax and about \$275,000 annually in  
28 hotel/motel tax.

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1           There has been concern in the community. I do get  
2 questions from people consistently about what is the socio-  
3 economic impact in Bettendorf; does the boat cause problems?  
4 Quite frankly, we have looked very strongly and tried to find  
5 problems. We do not find any problems with it.

6           Our police department does not report any incidents  
7 of crime specifically within the area. We have some EMS calls  
8 for emergency medical service. We have contacted the social  
9 agencies in Scott County. They do not see any impact. And I've  
10 contacted the schools. So from our standpoint, we are very  
11 pleased with the gaming operation that we have in the community.  
12 We think it has had a positive impact and we are very pleased to  
13 be here today to tell you that. Thank you.

14           CHAIRMAN JAMES: Thank you, Mayor Hutchinson.

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